RISK GEORGE INDUSTRIES INC
Form 10-Q
December 21, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

[X] Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarter ended October 31, 2009

[ ] Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ___________ to ___________

Commission File Number: 000-05378

GEORGE RISK INDUSTRIES, INC.
(Exact name of small business issuer as specified in its charter)

Colorado	84-0524756
(State of incorporation)	(IRS Employers Identification No.)

802 South Elm St. Kimball, NE	69145
(Address of principal executive offices)	(Zip Code)

(308) 235-4645
(Registrant's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares of the Registrant's Common Stock outstanding, as of December 21, 2009 was 5,073,084.

Transitional Small Business Disclosure Format: Yes [X] No [ ]

GEORGE RISK INDUSTRIES, INC.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited financial statements for the three and six month period ended October 31, 2009, are attached hereto.

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	October 31, 2009 (unaudited)	April 30, 2009
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,700,000	$ 4,671,000
Investments and securities	19,107,000	15,691,000
Accounts receivable:		
Trade, net of $1,945 and $7,492 doubtful account allowance	1,086,000	1,272,000
Other	1,000	1,000
Note receivable, current	7,000	3,000
Income tax overpayment	204,000	137,000
Inventories	2,154,000	2,741,000
Prepaid expenses	86,000	81,000
Deferred current income taxes	537,000	1,127,000
Total Current Assets	$25,882,000	$25,724,000
Property and Equipment, net, at cost	750,000	802,000
Other Assets		
Investment in Limited Land Partnership, at cost	200,000	200,000
Projects in process	126,000	68,000
Long-term receivable	40,000	40,000
Note receivable	10,000	9,000
Total Other Assets	$ 376,000	$ 317,000
TOTAL ASSETS	$27,008,000	$26,843,000

GEORGE RISK INDUSTRIES, INC.
BALANCE SHEETS

	October 31, 2009 (unaudited)	April 30, 2009
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable, trade	$ 30,000	$ 35,000
Dividends payable	395,000	317,000
Accrued expenses:		
Payroll and related expenses	246,000	306,000
Total Current Liabilities	$ 671,000	$ 658,000
Long-Term Liabilities		
Deferred income taxes	76,000	86,000
Total Long-Term Liabilities	$ 76,000	$ 86,000
Stockholders' Equity		
Convertible preferred stock, 1,000,000 shares authorized, Series 1-noncumulative, $20 stated value, 25,000 shares authorized, 4,100 issued and outstanding	99,000	99,000
Common stock, Class A, $.10 par value, 10,000,000 shares authorized, 8,502,832 shares issued and outstanding	850,000	850,000
Additional paid-in capital	1,736,000	1,736,000
Accumulated other comprehensive income	(154,000)	(940,000)
Retained earnings	27,033,000	27,423,000
Treasury stock, 3,429,748 and 3,376,548 shares, at cost	(3,294,000)	(3,069,000)
Total Stockholders' Equity	$26,270,000	$26,099,000
TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	$27,008,000	$28,843,000

GEORGE RISK INDUSTRIES, INC.
INCOME STATEMENTS

	Three months ended October 31, 2009	Six months ended October 31, 2009	Three months ended October 31, 2008	Six months ended October 31, 2008
Net Sales	$ 1,877,000	$ 3,840,000	$ 2,470,000	$ 4,914,000
Less: cost of goods sold	(1,181,000)	(2,323,000)	(1,175,000)	(2,371,000)
Gross Profit	$ 696,000	$ 1,517,000	$ 1,295,000	$ 2,543,000

Operating Expenses:				
General and administrative	181,000	348,000	205,000	383,000
Selling	428,000	831,000	444,000	947,000
Engineering	18,000	32,000	21,000	38,000
Rent paid to related parties	11,000	23,000	12,000	28,000
Total Operating Expenses	$ 638,000	$ 1,234,000	$ 682,000	$ 1,396,000
Income From Operations	58,000	283,000	613,000	1,147,000
Other Income (Expense)				
Other	134,000	136,000	1,000	3,000
Dividend and interest income	159,000	343,000	184,000	393,000
Gain (loss) on investments	26,000	(74,000)	(394,000)	(544,000)
Gain (loss) on sale of assets	7,000	7,000	0	0
	$ 326,000	$ 412,000	$ (209,000)	$ (148,000)
Income Before Provisions for Income Tax	384,000	695,000	404,000	999,000
Provisions for Income Tax				
Current expense	(109,000)	(217,000)	(114,000)	(338,000)
Deferred tax benefit (expense)	(6,000)	(5,000)	55,000	78,000
Total Income Tax Expense	$ (115,000)	$ (222,000)	$ (59,000)	$ (260,000)
Net Income	$ 269,000	$ 473,000	$ 345,000	$ 739,000
Cash Dividends				
Common Stock ($0.17 per share)	$ (863,000)	$ (863,000)	$ (880,000)	$ (880,000)
Income Per Share of Common Stock:				
Basic	$0.05	$0.09	$0.07	$0.14
Assuming Dilution	$0.05	$0.09	$0.07	$0.14
Weighted Average Number of Common Shares Outstanding:				
Basic	5,076,805	5,091,550	5,175,998	5,176,098
Diluted	5,097,305	5,112,050	5,196,498	5,196,598

GEORGE RISK INDUSTRIES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended October 31, 2009	Six months ended October 31, 2009	Three months ended October 31, 2008	Six months ended October 31, 2008

Net Income	$ 269,000	$ 473,000	$ 345,000	$ 739,000
Other Comprehensive Income, net of tax				
Unrealized gain (loss) on securities:				
Unrealized holding gains (losses) arising during period	408,000	1,314,000	(1,861,000)	(2,581,000)
Reclassification adjustment for (gains) losses included in net income	(117,000)	37,000	258,000	393,000
Income tax expense related to other comprehensive income	(122,000)	(565,000)	670,000	915,000
Other Comprehensive Income	$ 169,000	$ 786,000	$ (933,000)	$(1,273,000)
Comprehensive Income	$ 438,000	$ 1,259,000	$ (588,000)	$ (534,000)

GEORGE RISK INDUSTRIES, INC.
STATEMENTS OF CASH FLOWS

	Six months ended October 31, 2009	Six months ended October 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 473,000	$ 739,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	80,000	82,000
(Gain) loss on sale of investments	74,000	544,000
(Gain) loss on sales of assets	(7,000)	0
Reserve for bad debts	(56,000)	0
Reserve for obsolete inventory	64,000	0
Deferred income taxes	5,000	(78,000)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	241,000	59,000
Inventories	524,000	(54,000)
Prepaid expenses	(5,000)	9,000
Other receivables	0	(1,000)
Income tax overpayment	(67,000)	(248,000)
Increase (decrease) in:		
Accounts payable	(5,000)	31,000
Accrued expenses	(60,000)	(109,000)
Net cash provided by (used in) operating activities	$ 1,261,000	$ 974,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other assets manufactured	(58,000)	(38,000)
(Purchase) of property and equipment	(28,000)	(39,000)
Proceeds from sale of marketable securities	225,000	1,000
(Purchase) of marketable securities	(2,364,000)	(792,000)
Collections of loans to employees	2,000	2,000

(Purchase) of treasury stock	(225,000)	(2,000)
Net cash provided by (used in) investing activities	$(2,448,000)	$ (868,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(784,000)	(802,000)
Net cash provided by (used in) financing activities	$ (784,000)	$ (802,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$(1,971,000)	$ (696,000)
Cash and cash equivalents, beginning of period	$ 4,671,000	$ 4,072,000
Cash and cash equivalents, end of period	$ 2,700,000	$ 3,376,000
Supplemental Disclosure of Cash Flow Information		
Cash payments for:		
Income taxes	$ 320,000	$ 586,000
Interest expense	$ 0	$ 0
Cash receipts for:		
Income taxes	$ 38,000	$ 0

GEORGE RISK INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2009

Note 1 Unaudited Interim Financial Statements

The accompanying financial statements have been prepared in accordance with the instructions for Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's April 30, 2009 annual report on Form 10-K. In the opinion of management, all adjustments, consisting only of normal recurring adjustments considered necessary for a fair presentation, have been included. Operating results for any quarter are not necessarily indicative of the results for any other quarter or for the full year.

Note 2 Marketable Securities

The Company has investments in publicly traded equity securities as well as certain state and municipal debt securities. These securities are classified as available-for-sale securities, and are reported at fair value. Refer to Note 7, Fair Value Measurements, for additional information on the fair value measurements for all assets and liabilities, including investments, that are measured at fair value in these financial statements. Available -for-sale investments in debt securities mature between November 2009 and June 2042. The Company uses the average cost method to determine the cost of securities sold and the amount reclassified out of accumulated other comprehensive income into earnings. Unrealized gains and losses are excluded from earnings and reported separately as a component of stockholder's equity. Dividend and interest income are accrued as earned.

As of October 31, 2009, investments available-for-sale consisted of the following:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Municipal bonds	$ 9,552,000	$ 130,000	$ (152,000)	$ 9,530,000
Federal agency mortgage backed securities	$ 125,000	$ 4,000	$ --	$ 129,000
Corporate bonds	$ 220,000	$ 4,000	$ --	$ 224,000
Equity securities	$ 6,260,000	$ 354,000	$ (612,000)	$ 6,002,000
Money markets/CDs	$ 3,216,000	$ 6,000	$ --	$ 3,222,000
Total	$19,373,000	$ 498,000	$ (764,000)	$19,107,000

In accordance with SFAS 115, the Company evaluates all marketable securities for other-than temporary declines in fair value, which are defined as when the cost basis exceeds the fair value for approximately one year. The Company also evaluates the nature of the investment, cause of impairment and number of investments that are in an unrealized position. When an other-than-temporary decline is identified, the Company will decrease the cost of the marketable security to the new fair value and recognize a real loss. The investments are periodically evaluated to determine if impairment changes are required. As a result of this standard, management recorded impairment losses of $34,000 for the quarter ended October 31, 2009 and $89,000 for the six months ended October 31, 2009. As for the corresponding periods last year, $302,000 worth of impairment loss was recorded for the quarter, while $405,000 of loss was recorded for the six months ended October 31, 2008.

The following table shows the investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at October 31, 2009.

	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Municipal bonds	$1,419,000	$ (31,000)	$3,138,000	$(120,000)	$ 4,557,000	$ (151,000)
Federal agency mortgage backed securities	--	--	--	--	--	--
Corporate bonds	--	--	--	--	--	--
Equity securities	$ 732,000	$ (68,000)	$2,395,000	$(545,000)	$ 3,127,000	$ (613,000)
Total	$2,151,000	$ (99,000)	$5,533,000	$(665,000)	$ 7,684,000	$ (764,000)

Municipal Bonds

The unrealized losses on the Company's investments in municipal bonds were caused by interest rate increases. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the amortized cost of the investment. Because the Company has the ability to hold these investments until a recovery of fair value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired at October 31, 2009.

Federal Agency Mortgage-Backed Securities
The unrealized losses on the Company's investment in federal agency mortgage-backed securities were caused by interest rate increases. The Company purchased these investments at a discount relative to their face amount, and the contractual cash flows of these investments are guaranteed by an agency of the U.S. government. Accordingly, it is expected that the securities would not be settled at a price less than the amortized cost of the Company's investment. Because the decline in market value is attributable to changes in interest rates and not credit quality and because the Company has the ability to hold these investments until a recovery of fair value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired at October 31, 2009.

Corporate Bonds
The Company's unrealized loss on investments in corporate bonds relates to several bonds. The contractual term of these investments do not permit the issuer to settle the security at a price less than the amortized cost of the investment. Because the Company has the ability to hold these investments until a recovery of fair value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired at October 31, 2009.

Marketable Equity Securities
The Company's investments in marketable equity securities consist of a wide variety of companies. Investments in these companies include growth, growth income, and foreign investment objectives. Management has evaluated the individual holdings, and because of the recent decline in the stock market, does not consider these investments to be other-than-temporarily impaired at October 31, 2009.

Note 3 Inventories

At October 31, 2009, inventories consisted of the following:

Raw Materials	$ 1,436,000
Work in Process	579,000
Finished Goods	330,000
	$ 2,345,000
Less: allowance for obsolete inventory	(191,000)
Net Inventories	$ 2,154,000

Note 4 Business Segments

The following is financial information relating to industry segments:

For the quarter ended
October 31,

	2009	2008
Net revenue:		
Security alarm products	1,703,000	2,278,000
Other products	174,000	192,000
Total net revenue	$ 1,877,000	$ 2,470,000
Income from operations:		
Security alarm products	53,000	565,000
Other products	5,000	48,000
Total income from operations	$ 58,000	$ 613,000
Identifiable assets:		
Security alarm products	2,545,000	3,262,000
Other products	1,328,000	2,037,000
Corporate general	23,135,000	21,481,000
Total assets	$27,008,000	$26,780,000
Depreciation and amortization:		
Security alarm products	6,000	7,000
Other products	26,000	26,000
Corporate general	8,000	8,000
Total depreciation and amortization	$ 40,000	$ 41,000
Capital expenditures:		
Security alarm products	2,000	0
Other products	0	0
Corporate general	15,000	10,000
Total capital expenditures	$ 17,000	$ 10,000

Note 5 Earnings per Share

Basic and diluted earning per share, assuming convertible preferred stock was converted for each period presented, are:

	For the three months ended October 31, 2009		
	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 269,000		
Basic EPS	$ 269,000	5,076,805	$ 0.05
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 269,000	5,097,305	$ 0.05

For the six months ended October 31, 2009

	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 473,000		
Basic EPS	$ 473,000	5,091,550	$ 0.09
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 473,000	5,112,050	$ 0.09

For the three months ended October 31, 2008

	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 345,000		
Basic EPS	$ 345,000	5,175,998	$ 0.07
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 345,000	5,196,498	$ 0.07

For the six months ended October 31, 2008

	Income (Numerator)	Shares (Denominator)	Per-share Amount
Net Income	$ 739,000		
Basic EPS	$ 739,000	5,176,098	$ 0.14
Effect of dilutive securities:			
Convertible preferred stock	0	20,500	
Diluted EPS	$ 739,000	5,196,598	$ 0.14

Note 6 Retirement Benefit Plan

On January 1, 1998, the Company adopted the George Risk Industries, Inc. Retirement Savings Plan (the "Plan"). The Plan is a defined contribution savings plan designed to provide retirement income to eligible employees of the corporation. The Plan is intended to be qualified under Section 401(k) of the Internal Revenue Code of 1986, as amended. Matching contributions by the Company of approximately $3,000 and $4,000 were paid during each quarter ending October 31, 2009 and 2008, respectively. Likewise, the Company paid matching contributions of approximately $5,000 and $6,000 during each six-month period ending October 31, 2009 and 2008, respectively. There were no discretionary contributions paid during either the quarters or six-month periods ending October 31, 2009 and 2008, respectively.

Note 7 Fair Value Measurements

As of May 1, 2008, we adopted Statement of Financial Accounting Standards

No. 157, Fair Value Measurements (SFAS No. 157). SFAS No. 157 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, we consider the principal or most advantageous market in which we would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The levels of the fair value hierarchy under SFAS No. 157 are described below:

Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Marketable Securities

As of October 31, 2009, our investments consisted of publicly traded equity securities as well as certain state and municipal debt securities. Our marketable securities are valued using third-party broker statements. The value of the majority of securities is derived from quoted market information. The inputs to the valuation are generally classified as Level 1 given the active market for these securities, however, if an active market does not exist, the inputs are recorded at a lower level in the fair value hierarchy.

Fair Value Hierarchy

The following tables set forth our assets and liabilities measured at fair value on a recurring basis and a non-recurring basis by level within the fair value hierarchy. As required by SFAS No. 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Assets Measured at Fair Value on a Recurring Basis as of October 31, 2009			
	Level 1	Level 2	Level 3	Total
Assets:				
Securities	$19,107,000	$ 0	$ 0	$19,107,000

Total fair value of assets measured on a recurring basis	$19,107,000	$ 0	$ 0	$19,107,000

GEORGE RISK INDUSTRIES, INC.

PART I. FINANCIAL INFORMATION

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the attached condensed consolidated financial statements, and with the George Risk Industries' audited financial statements and discussion for the fiscal year ended April 30, 2009.

Liquidity and capital resources
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Operating

Net cash decreased $1,971,000 for the six months ended October 31, 2009, while, for the same period last year, net cash decreased $696,000. Accounts receivable decreased $241,000 for the current six months and decreased $59,000 for the same period last year. At October 31, 2009, 71.99% of the receivables were considered current (less than 45 days) and 3.93% of the total were over 90 days past due. Inventory decreased $524,000 for the current six months, while it increased $54,000 for the same period last year. The main reason for the decrease in cash expenditures towards inventory is that sales are down and not as much inventory is needed at this time. Changes in prepaid expenses in regards to cash flow increased by $5,000 for the six months ending October 31, 2009. Conversely, changes in prepaid expenses in regards to cash flow decreased by $9,000 for the six-month ending October 31, 2008. Cash towards income tax overpayment increased $67,000 for the six months ended October 31, 2009 and it increased $248,000 for the same period last year. Management paid income tax estimated based on prior year taxable income.

For the six months ended October 31, 2009, accounts payable decreased $5,000, and increased $31,000 for the same period ended October 31, 2008. The current decrease accounts for the decreases in the cost and need of raw materials. Accrued expenses decreased $60,000 for the six months ended
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October 31, 2009, as it decreased by $109,000 for the same period last year. The smaller decrease is due to reduced sales commissions and fewer employees.

Investing

As for our investment activities, the Company has spent approximately $28,000 on acquisitions of property and equipment for the current six-month period and $39,000 was spent during the six months ended October 31, 2008. Additionally, the Company continues to purchase marketable securities, which include municipal bonds and quality stocks. Cash spent on purchases of marketable securities for the six months ended October 31, 2009 was $2,364,000 and $792,000 was spent for the corresponding period last year. We use "money manager" accounts for most stock transactions. By doing this, the Company gives an independent third party firm, who are experts in this field, permission to buy and sell stocks at will. The Company pays a quarterly service fee based on the value of the investments. Also, $2 million was moved from a money market account into several certificates of deposits in order to be covered more fully by FDIC insurance. Furthermore, the Company continues to purchase back its common stock when the opportunity arises. For the six months ended October 31, 2009, the Company purchased $225,000 worth of treasury stock and $2,000 worth was bought back for the six months ended October 31, 2008. We have been actively searching for stockholders that have been "lost" over the years. The payment of dividends over the last five fiscal years has also prompted many stockholders and/or their relatives and descendants to sell back their stock to the Company. We have also made purchases of company stock on the open market.

Financing

Cash flows from financing activities decreased by $784,000 for the six months ending October 31, 2009. That figure consists of the payment of dividends during the second quarter. The company declared a dividend of $0.17 per share of common stock on September 30, 2009 and these dividends were paid by October 31, 2009. As for the prior year numbers, net cash used in financing activities was $802,000 for the six months ending October 31, 2008. A dividend of $0.17 per common share was also declared and paid during the second fiscal quarter last year.

The following is a list of ratios to help analyze George Risk Industries' performance:

	For the quarter ended October 31, 2009	2008
Working capital	$ 25,211,000	$ 24,987,000
Current ratio	38.572	40.852
Quick ratio	34.118	32.563

Results of Operations

Net sales were $1,877,000 for the quarter ended October 31, 2009, which is a 24% decrease from the corresponding quarter last year. Year-to-date net sales were $3,840,000 at October 31, 2009, which is a 21.86% decrease from the same period last year. The Company is tied to the housing industry and with that industry not performing well over the last year or so, we are seeing a decrease in our sales also. Cost of goods sold was 62.9% of net sales for the quarter ended October 31, 2009 and 47.6% for the same quarter last year. Year-to-date cost of goods sold percentages were 60.5% for the current six months and 49.3% for the corresponding six months last year. Management has been trying to keep labor and other manufacturing expenses down, but our sales have been much lower than anticipated. Therefore, that is the reason for the over 10% increase in costs of good sold percentage.

Operating expenses were 34.0% of net sales for the quarter ended October 31, 2009 as compared to 27.6 % for the corresponding quarter last year. Year-to-date operating expenses were 32.1% of net sales for the six months ended October 31, 2009, while they were 28.4% for the same period last year. Keeping operating expenses around 30% of net sales, as the company has been able to achieve over the years, shows that management keeps a close eye on these expenses from year to year. Income from operations for the quarter ended October 31, 2009 was at $58,000, which is a 90.5% decrease from the corresponding quarter last year, which had income from operations of $613,000. Income from operations for the six months ended October 31, 2009 was at $283,000, which is a 75.3% decrease from the corresponding six months last year, which had income from operations of $1,147000.

Other income and expenses showed gains of $326,000 and $412,000 for the quarter and six months ended October 31, 2009, respectively. The other income and expense numbers for last year showed losses of $209,000 for the quarter and $148,000 for the six months ending October 31, 2008. Dividend and interest income was down 13.59% for the current quarter and was down 12.72% for the current six-month period when compared to the same time periods last year. Gain and loss on investments is where the biggest gain is in this category. Also, management did not have to write down as much for impaired investments. For the quarter ended October 31, 2009, management wrote down $34,000 for impaired investments. This is compared to write downs of $302,000 for the same quarter last year. For the year-to-date ended October 31, 2009, management wrote down $89,000 for impaired investments and $405,000 was wrote down for the same period last year.

Net income for the quarter ended October 31, 2009 was at $269,000, a 22.0% decrease from the corresponding quarter last year, which showed net income of $345,000. Net income for the six months ended October 31, 2009 was $473,000, a 36% decrease from the same period last year. Net income for the six months ended October 31, 2008 was $739,000. Earnings per common share for the quarter ended October 31, 2009 were $0.05 per share and $0.09 per share for the year-to-date numbers. EPS for the quarter and six months ended October 31, 2008 were $0.07 per share and $0.14 per share, respectively.

New Product Development

The Omni-Directional Tilt Sensor (pt # ODTS-1) is now in production. When mounted onto an object, such as industrial equipment, tool boxes, air conditioners, museum pieces, skylight, and such, it can detect a slight movement of tilt in any direction should a thief or burglar try to tamper with or remove the equipment or device. With copper theft from air conditioning units at all time highs, this product is now being installed commonly on A/C units behind homes and businesses.

Another new product, the Quick Disconnect Cord (pt # QDC-20), is routinely used by security installers to transfer power from one side of a fence across a gate or door to the other side of a fence. It can also be used on overhead doors and is intended to meet certain specialty applications for security installers.

Engineering continues to work on a wireless swimming pool alarm design, a low cost hold-up switch for banks and offices, a pump guard watering station monitor, and a high security contact switch.

Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board established Accounting Standards Codification (the "Codification") commencing on July 1, 2009, as the source of authoritative United States Generally Accepted Accounting Principles ("GAAP") to be applied by nongovernmental entities. The Codification does not necessarily change GAAP, but literature excluded from the Codification will not be considered authoritative. The Codification is effective for financial statements issued for periods ending after September 15, 2009. The Company is in compliance with the Codification.

The Company implemented FASB ASC 855-10-50 with respect to subsequent events as of September 30, 2009. This standard establishes general standards of accounting for and disclosures of events that occurred after the balance sheet date but before the financial statements were issued.

Other Information

There are no known seasonal trends with any of our products, since we sell to distributors and OEM manufacturers. The products are tied to the housing industry and will fluctuate with building trends.

GEORGE RISK INDUSTRIES, INC.

PART I. FINANCIAL INFORMATION

Item 3. Controls and Procedures

(a) Information required by Item 307

Our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (Exchange Act) Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this quarterly report, have concluded that our disclosure controls and procedures are effective based on their evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15.

(b) Information required by Item 308

This disclosure is not yet required.

Item 3A(T). Controls and Procedures

Evaluation of disclosure controls and procedures:

Based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of October 31, 2009, our president and chief executive officer and our chief financial officer have concluded that our disclosure controls and procedures are effective such that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and (ii) accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding disclosure. A control system cannot provide absolute assurance, however, that the objectives of the control systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in internal controls over financial reporting:

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. Because of inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide no reasonable assurance of achieving their control objectives. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including our principal executive officer and principal accounting officer, conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on its evaluation, our management concluded that as of October 31, 2009 our internal control over financial reporting is effective.

This quarterly report does not include an attestation report of the Corporation's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Corporation's registered public accounting firm pursuant to temporary rules of the SEC that permit the Corporation to provide only the management's report in this quarterly report.

GEORGE RISK INDUSTRIES, INC.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable

Item 2. Changes in Securities
Not applicable.

Item 3. Defaults upon Senior Securities
Not applicable

Item 4. Submission of Matters to a Vote of Securities
Not applicable

Item 5. Other Information
Not applicable

Item 6. Exhibits and Reports on Form 8-K
A. Exhibits

31. Certifications pursuant to Rule 13a-14(a)
 31.1 Certification of the Chief Executive Officer
 31.2 Certification of the Chief Financial Officer

32. Certifications pursuant to 18 U.S.C. 1350
 32.1 Certification of the Chief Executive Officer
 32.2 Certification of the Chief Financial Officer

B. Reports on Form 8-K
No 8-K reports were filed during the quarter ended October 31, 2009.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

George Risk Industries, Inc.
(Registrant)

Date 12-21-2009 By: /s/ Kenneth R. Risk
Kenneth R. Risk
President and Chairman of the Board

Date 12-21-2009 By: /s/ Stephanie M. Risk
Stephanie M. Risk
Chief Financial Officer and Controller